

**TOWN OF MOORELAND, OKLAHOMA  
MOORELAND, OKLAHOMA**

**ANNUAL FINANCIAL STATEMENTS  
AND ACCOMPANYING  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2022**

**TOWN OF MOORELAND, OKLAHOMA**  
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**For the fiscal year ended JUNE 30, 2022**

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# **TOWN OF MOORELAND, OKLAHOMA**

## **LIST OF PRINCIPAL OFFICIALS**

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### TOWN COUNCIL

Todd Finley, Mayor

Jeremy Eilers, Trustee

Travis Scarborough, Trustee

Tim Schnobelen, Trustee

Cristi Winn, Trustee

### TOWN ADMINISTRATOR

Bobby Kehn

### TOWN CLERK

Heather Bojorquez

### TOWN TREASURER

Celestia Ramey

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INDEPENDENT AUDITOR'S REPORT

To the Town Council  
Town of Mooreland, Oklahoma

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Mooreland, Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Mooreland, Oklahoma's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Mooreland, Oklahoma, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Mooreland, Oklahoma and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Mooreland, Oklahoma's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Mooreland, Oklahoma's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Mooreland, Oklahoma's ability to continue as a going concern for a reasonable period of time.

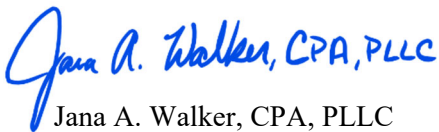
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and net pension schedules on pages 4–10 and 34–38 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 3, 2023, on our consideration of the Town of Mooreland, Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Mooreland, Oklahoma's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Mooreland, Oklahoma's internal control over financial reporting and compliance.



Jana A. Walker, CPA, PLLC  
Woodward, Oklahoma  
July 3, 2023

Our discussion and analysis of the Town of Mooreland's ("Town") financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2022. The Town's performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section. Please read it in conjunction with the Town's financial statements, which follow this section.

## FINANCIAL HIGHLIGHTS

- The Town's assets exceeded its liabilities by \$5,314,141 (net position) for the fiscal year reported. This compares to the previous year when assets exceeded liabilities by \$5,381,395.
- Total liabilities of the Town decreased by \$522,306 from \$1,257,551 to \$735,245 during the fiscal year. This decrease is due to a decrease in the pension liability obligation combined with regular scheduled payments on outstanding obligations.
- Total net assets are comprised of the following:
  - 1) Invested in capital assets, net of related debt, of \$4,372,205 includes property and equipment, net of accumulated depreciation, reduced for outstanding debt related to the purchase or construction of capital assets.
  - 2) Unrestricted net position of \$641,986 represents the portion available to maintain the Town's continuing obligations to citizens and creditors.
  - 3) Reserve for restricted purposes of \$299,950 is restricted for debt and other obligations.
- The Town's governmental funds reported total ending fund balance of \$491,093 this year. This compared to the prior year ending fund balance of \$873,380.

## OVERVIEW OF THE FINANCIAL STATEMENTS

*Management's Discussion and Analysis* introduces the Town's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The Town also, includes in this report additional information to supplement the basic financial statements.

### ***Government-wide Financial Statements***

The Town's annual reporting includes two government-wide financial statements. These statements provide both long-term and short-term information about the Town's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the *Statement of Net Position*. This is the Town-wide statement of financial position presenting information that includes all of the Town's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indication of whether the financial position of the Town as a whole is improving or deteriorating. Evaluation of the overall economic health of the Town would extend to other financial factors such as diversification of the taxpayer base or the condition of the Town infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the Town's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Town's distinct activities or functions on revenues provided by the Town's taxpayers.

Both government-wide financial statements distinctively report governmental activities of the Town that are principally supported by taxes and intergovernmental revenues, such as grants, and business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities includes general government; public safety and judiciary; transportation; and cultural, parks, and recreation. Business-types activities include utility services provided by the Town.

### ***Fund Financial Statements***

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Town uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Town's most significant funds rather than the Town as a whole.

The Town has two kinds of funds:

*Governmental funds* are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is different with fund statements reporting short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to the government-wide statements to assist in understanding the differences between these two perspectives.

A Budgetary comparison statement is included in the basic financial statement for the General Fund. This statement demonstrates compliance with the Town's adopted and final revised budget.

*Proprietary funds* are reported in the fund financial statements and generally report services for which the Town charges customers a fee. The Town has one type of proprietary fund, enterprise funds. Enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the Town organization such as water and electric utilities.

Proprietary fund statements and statements for discretely presented component units (reporting similarly to proprietary funds) provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements but with more detail.

### ***Notes to the financial statements***

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. Those notes to the financial statement begin immediately following the basic financial statements.

### ***Other information***

In addition to the basic financial statements and accompanying notes, this report presents certain *Required Supplementary Information* concerning the Town's compliance with the approved and revised budget for the General Fund.

## A FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

The Town's net position at fiscal year end was \$5,314,141. This is a \$67,254 increase from last year's net assets of \$5,381,395. The following table provides a summary of the Town's net assets at June 30:

	Governmental Activities		Business-Type Activities		Totals		Change	
	2022	2021	2022	2021	2022	2021	\$	%
Current assets	\$ 525,748	\$ 1,056,177	\$ 760,058	\$ 670,719	\$ 1,285,806	\$ 1,726,896	\$ (441,090)	-26%
Capital assets, net	2,562,746	2,559,669	2,304,860	2,239,126	4,867,606	4,798,795	68,811	1%
Pension asset	40,897	-	-	-	40,897	-	40,897	100%
<b>Total assets</b>	<b>3,129,391</b>	<b>3,615,846</b>	<b>3,064,918</b>	<b>2,909,845</b>	<b>6,194,309</b>	<b>6,525,691</b>	<b>(331,382)</b>	<b>-5%</b>
Deferred outflows of resources	129,748	143,712	-	-	129,748	143,712	(13,964)	-10%
Current liabilities	34,655	182,797	211,139	289,612	245,794	472,409	(226,615)	-48%
Non-current liabilities	33,884	247,859	455,567	537,283	489,451	785,142	(295,691)	-38%
<b>Total liabilities</b>	<b>68,539</b>	<b>430,656</b>	<b>666,706</b>	<b>826,895</b>	<b>735,245</b>	<b>1,257,551</b>	<b>(522,306)</b>	<b>-42%</b>
Deferred inflows of resources	274,671	30,457	-	-	274,671	30,457	244,214	802%
Net position								
Invested in capital assets, net of related debt	2,603,643	2,559,669	1,768,562	1,623,668	4,372,205	4,183,337	188,868	5%
Restricted	112,089	601,430	187,861	188,408	299,950	789,838	(489,888)	-62%
Unrestricted	200,197	137,346	441,789	270,874	641,986	408,220	233,766	57%
<b>Total net position</b>	<b>\$ 2,915,929</b>	<b>\$ 3,298,445</b>	<b>\$ 2,398,212</b>	<b>\$ 2,082,950</b>	<b>\$ 5,314,141</b>	<b>\$ 5,381,395</b>	<b>\$ (67,254)</b>	<b>-1%</b>

Total assets decreased 5% over prior year. Current assets decreased by 26% due operating cash balances used to fund capital improvements. The Oklahoma Municipal Pension Plan reported an asset in the pension plan for the year ended. This is a significant shift from the underfunded liability reported in prior year. Total liabilities decreased 42%, reflecting timing of payment on operating liabilities, decrease in pension liabilities, and regularly scheduled payments made on debt obligations.

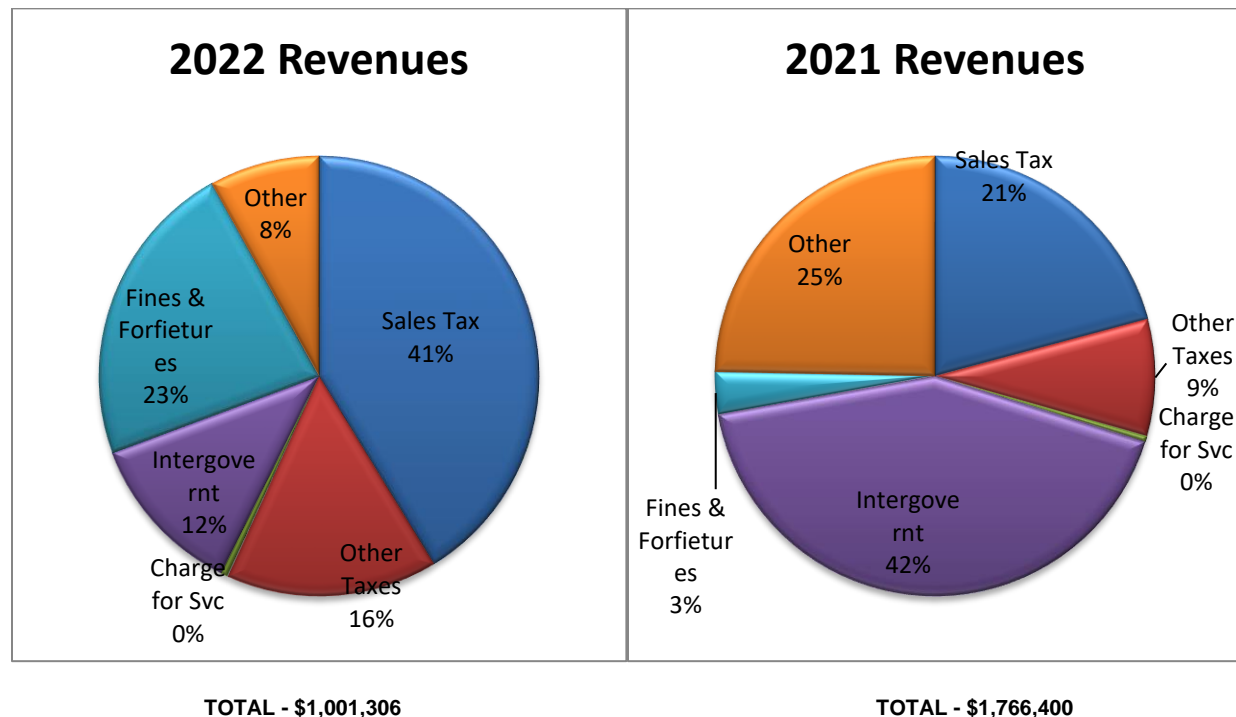
The Town reported positive balances in net position for both governmental and business-type activities. The Town's overall financial position decreased 1%, or \$67,254, during fiscal year 2022.



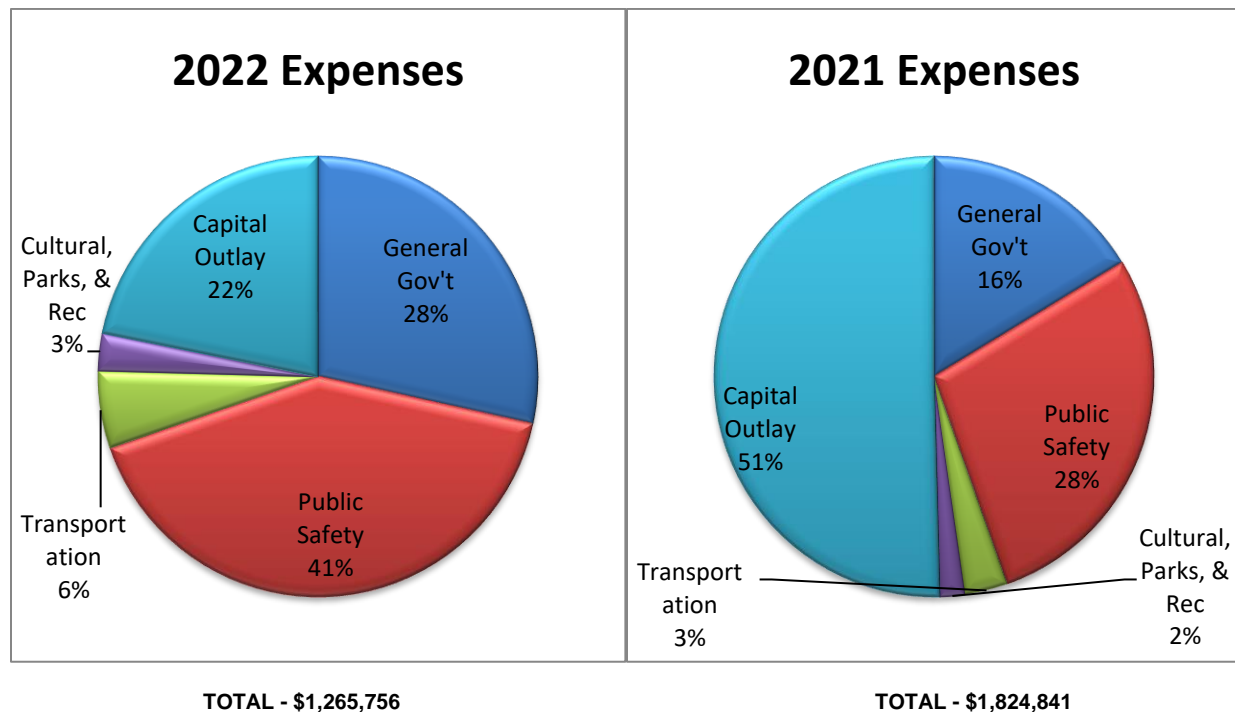
	Governmental Activities		Business-type Activities		Totals		Change	
	2022	2021	2022	2021	2022	2021	\$	%
<b>Revenues</b>								
Program revenues	\$ 366,378	\$ 1,185,098	\$ 1,858,196	\$ 1,560,369	\$ 2,224,574	\$ 2,745,467	\$ (520,893)	-19%
Taxes and other general revenues	628,846	580,295	57,898	33,857	686,744	614,152	72,592	12%
<b>Total revenues</b>	<b>995,224</b>	<b>1,765,393</b>	<b>1,916,094</b>	<b>1,594,226</b>	<b>2,911,318</b>	<b>3,359,619</b>	<b>(448,301)</b>	<b>-13%</b>
<b>Expenses</b>								
General government	389,528	321,720	-	-	389,528	321,720	67,808	21%
Public safety and judiciary	619,428	593,775	-	-	619,428	593,775	25,653	4%
Transportation	188,660	181,880	-	-	188,660	181,880	6,780	4%
Cultural, parks, and recreation	65,054	63,374	-	-	65,054	63,374	1,680	3%
Electric	-	-	1,087,166	951,266	1,087,166	951,266	135,900	14%
Water	-	-	274,605	287,694	274,605	287,694	(13,089)	-5%
Sewer	-	-	131,396	113,498	131,396	113,498	17,898	16%
Sanitation	-	-	140,133	135,809	140,133	135,809	4,324	3%
Customer service	-	-	82,602	182,363	82,602	182,363	(99,761)	-55%
<b>Total expenses</b>	<b>1,262,670</b>	<b>1,160,749</b>	<b>1,715,902</b>	<b>1,670,630</b>	<b>2,978,572</b>	<b>2,831,379</b>	<b>147,193</b>	<b>5%</b>
Excess (deficiency) before transfers	\$ (267,446)	\$ 604,644	\$ 200,192	\$ (76,404)	\$ (67,254)	\$ 528,240	\$ (595,494)	-113%
Transfers	(115,070)	27,540	115,070	(27,540)	-	-	-	0%
<b>Increase (decrease) in net assets</b>	<b>\$ (382,516)</b>	<b>\$ 632,184</b>	<b>315,262</b>	<b>(103,944)</b>	<b>\$ (67,254)</b>	<b>\$ 528,240</b>	<b>\$ (595,494)</b>	<b>-113%</b>

Total revenues noted a 13% decrease when compared to prior year. The decrease is due to a decline in federal funding from the FAA for the Airport and the CARES relief funding. Sales and use taxes as well as other general revenues increased 12%. Expenses increased 5% when compared to prior year, mainly in the cost of electricity based upon demand.

Graphic presentations of selected data from the summary table are included on the following page to assist in the analysis of the Town's activities for fiscal year 2022.

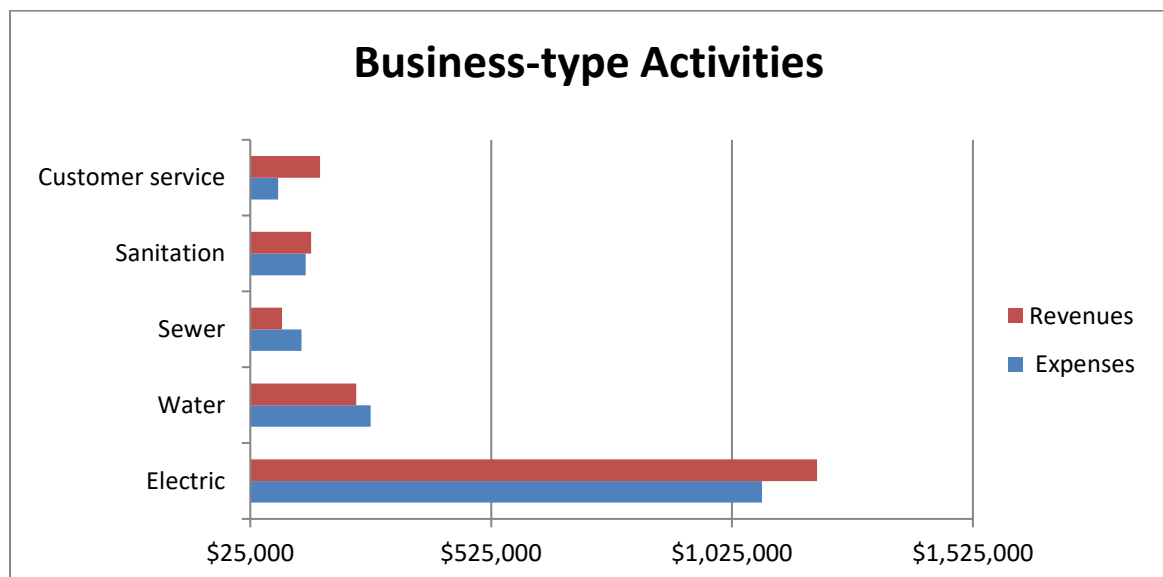


In the current year, sales tax collections provided the largest source of revenues for governmental activities at 41% of the total compared to 21% in prior year. The shift is the result of the decreased funding received from the federal government, which is reflected in the purple section as "Intergovernment". All other operating sources shifted incrementally from prior year as a result.



This graph shows the total governmental activities cost of \$1,265,756 for 2022. Of this amount, public safety at 41% was the largest use of funds for the fiscal year. A shift in the allocation of expenses occurred because of the decrease in capital outlay purchases. These operating costs were primarily funded by taxes. It should be noted that governmental expenses were adjusted from the fund statements to the government-wide statements for the purchase and construction of capital assets. For the government-wide full accrual statements, capital outlay expenses are eliminated and capital assets reported.

#### Business-type Activities



Business-type activities are shown comparing costs to revenues generated by related services. Sanitation, sewer, water, and electric activities are intended to be self-supporting with user charges and other revenues designed to recover costs. Other activities provide services with minimal user charges.

### General Fund Budgetary Highlights

The adopted General Fund budget for fiscal year 2022 was \$843,282. No amendments were made that increased the total budget. The General Fund budget complied with financial policies approved by the Town.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of June 30, 2022, the Town had \$4,372,205 invested in capital assets, net of depreciation, including vehicles and equipment for police and fire operations, park facilities, and street activities in governmental activities and electric lines, water lines and sewer lines in business-type activities. See table below.

Primary Government Capital Assets (net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land and construction in process	\$ 929,842	\$ 929,842	\$ 24,005	\$ 24,005	\$ 953,847	\$ 953,847
Buildings	280,698	205,633	20,723	23,223	301,421	228,856
Infrastructure	1,036,739	1,164,599	2,000,436	1,831,366	3,037,175	2,995,965
Machinery & equipment	315,467	259,595	259,696	360,532	575,163	620,127
Totals	<u>\$ 2,562,746</u>	<u>\$ 2,559,669</u>	<u>\$ 2,304,860</u>	<u>\$ 2,239,126</u>	<u>\$ 4,867,606</u>	<u>\$ 4,798,795</u>

### Long-Term Debt

At year-end, the Town had \$489,451 in long-term debt outstanding. There was no new debt issued in the current year. The Town's changes in long-term debt by type of debt are as follows:

Primary Government Long-Term Debt

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenue bonds	\$ -	\$ -	\$ 515,482	\$ 574,536	\$ 515,482	\$ 574,536
Notes payable	-	-	20,816	40,922	20,816	40,922
Pension liability	33,884	247,859	-	-	33,884	247,859
subtotal	33,884	247,859	536,298	615,458	570,182	863,317
less current portion	-	-	(80,731)	(78,175)	(80,731)	(78,175)
Totals	<u>\$ 33,884</u>	<u>\$ 247,859</u>	<u>\$ 455,567</u>	<u>\$ 537,283</u>	<u>\$ 489,451</u>	<u>\$ 785,142</u>

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

According to the Oklahoma State University, Spears School of Business, *Economic Outlook 2022 Summer Update* "The state and national economies continue to recover from the damage wrought by the COVID-19 pandemic. Parts of the economy that had been most affected saw the greatest increases in activity. The surge in inflation and the current wave of COVID-19 cases...pose risks to the economy." The City has continued to be proactive in unknown changes resulting from the pandemic in the upcoming year.

The *Economic Outlook* stated "the economy is moving towards a new unknown equilibrium of demand, prices, wages, and output. During the adjustment, the economy can simultaneously experience inflation and high unemployment with the combination of strong demand and constraints on supply." The pandemic continues to loom as municipalities move forward providing daily, necessary services to citizens.

## **CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Clerk's Office at PO Box 157, Mooreland, Oklahoma, 73852 or phone at (580) 994-5924.

**Town of Mooreland, Oklahoma**  
**Statement of Net Position**  
**June 30, 2022**

<b>ASSETS</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Current Assets:			
Cash and cash equivalents	\$ 219,532	\$ 82,880	\$ 302,412
Investments, including time deposits	100,000	219,045	319,045
Taxes receivable	81,983	-	81,983
Accounts receivable, net	16,349	162,387	178,736
Internal balances	(7,844)	7,844	-
Prepaid assets	3,639	-	3,639
Total current assets	<u>413,659</u>	<u>472,156</u>	<u>885,815</u>
Restricted assets:			
Cash and cash equivalents	100,589	243,166	343,755
Investments, including time deposits	11,500	44,736	56,236
Total restricted assets	<u>112,089</u>	<u>287,902</u>	<u>399,991</u>
Noncurrent Assets:			
Land and construction in progress	939,246	25,788	965,034
Other capital assets (net of accumulated depreciation)	1,623,500	2,279,072	3,902,572
Pension asset	40,897	-	40,897
Total noncurrent assets	<u>2,603,643</u>	<u>2,304,860</u>	<u>4,908,503</u>
Total assets	<u>\$ 3,129,391</u>	<u>\$ 3,064,918</u>	<u>\$ 6,194,309</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charges on pension obligations	<u>\$ 129,748</u>	<u>\$ -</u>	<u>129,748</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 13,044	\$ 10,244	\$ 23,288
Wages and benefits payable	21,611	20,123	41,734
Notes payable, current	-	19,568	19,568
Bonds payable, current	-	61,163	61,163
Total current liabilities	<u>34,655</u>	<u>111,098</u>	<u>145,753</u>
Liabilities payable from restricted assets:			
Accrued interest payable	-	5,274	5,274
Customer deposits payable	-	94,767	94,767
Total liabilities payable from restricted assets	<u>-</u>	<u>100,041</u>	<u>100,041</u>
Noncurrent liabilities:			
Pension liability	33,884	-	33,884
Notes payable, non-current	-	1,248	1,248
Bonds payable, non-current	-	454,319	454,319
Total noncurrent liabilities	<u>33,884</u>	<u>455,567</u>	<u>489,451</u>
Total liabilities	<u>68,539</u>	<u>666,706</u>	<u>735,245</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred charges on pension obligations	<u>274,671</u>	<u>-</u>	<u>274,671</u>
<b>NET POSITION</b>			
Net investment in capital assets	2,603,643	1,768,562	4,372,205
Restricted	112,089	187,861	299,950
Unrestricted	200,197	441,789	641,986
Total net position	<u>\$ 2,915,929</u>	<u>\$ 2,398,212</u>	<u>\$ 5,314,141</u>

**Town of Mooreland, Oklahoma**  
**Statement of Activities**  
**Year Ended June 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense)/ Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	
Governmental activities:					
General government:					
General government	\$ 389,528	\$ 6,547	\$ 102,086	\$ -	\$ (280,895)
Total general government	<u>389,528</u>	<u>6,547</u>	<u>102,086</u>	<u>-</u>	<u>(280,895)</u>
Public safety and judiciary:					
Police	372,496	226,011	500	-	(145,985)
Fire	89,484	-	4,763	-	(84,721)
Municipal Court	157,448	-	-	-	(157,448)
Emergency Management	-	-	-	-	-
Total public safety and judiciary	<u>619,428</u>	<u>226,011</u>	<u>5,263</u>	<u>-</u>	<u>(388,154)</u>
Transportation:					
Street	105,860	-	10,679	-	(95,181)
Airport	82,800	5,200	-	-	(77,600)
Total transportation	<u>188,660</u>	<u>5,200</u>	<u>10,679</u>	<u>-</u>	<u>(172,781)</u>
Cultural, parks and recreation:					
Park	37,412	-	-	-	(37,412)
Library	17,462	-	3,135	-	(14,327)
Cemetery	10,180	7,457	-	-	(2,723)
Total cultural, parks and recreation	<u>65,054</u>	<u>7,457</u>	<u>3,135</u>	<u>-</u>	<u>(54,462)</u>
Total governmental activities	<u>1,262,670</u>	<u>245,215</u>	<u>121,163</u>	<u>-</u>	<u>(896,292)</u>
Business-type activities:					
Electric	1,087,166	1,201,513	-	-	114,347
Water	274,605	245,129	-	-	(29,476)
Sewer	131,396	90,655	-	-	(40,741)
Sanitation	140,133	151,298	-	-	11,165
Customer service	82,602	169,601	-	-	86,999
Total business-type activities	<u>1,715,902</u>	<u>1,858,196</u>	<u>-</u>	<u>-</u>	<u>142,294</u>
<b>Total primary government</b>	<u><u>\$ 2,978,572</u></u>	<u><u>\$ 2,103,411</u></u>	<u><u>\$ 121,163</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (753,998)</u></u>

**Town of Mooreland, Oklahoma**  
Statement of Activities (continued)  
Year Ended June 30, 2022

Changes in Net Position:	Primary Government		
	Governmental Activities	Business-type Activities	Total
Net (expense)/revenue	\$ (896,292)	\$ 142,294	\$ (753,998)
General revenues:			
Taxes:			
Sales taxes	413,170	-	413,170
Use taxes	118,777	-	118,777
Franchise taxes	10,236	-	10,236
Alcoholic beverage tax	23,344	-	23,344
Cigarette tax	3,148	-	3,148
Investment income	309	485	794
Pension change	(6,082)	-	(6,082)
Miscellaneous	65,944	57,413	123,357
Transfers - Internal activity, net	(115,070)	115,070	-
Total general revenues and transfers	513,776	172,968	686,744
<b>Change in net position</b>	(382,516)	315,262	(67,254)
<b>Net position - beginning</b>	3,298,445	2,082,950	5,381,395
<b>Net position - ending</b>	<u>\$ 2,915,929</u>	<u>\$ 2,398,212</u>	<u>\$ 5,314,141</u>

**Town of Mooreland, Oklahoma**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2022**

	<b>General Fund</b>	<b>Court Fund</b>	<b>Cemetery Fund</b>	<b>Cemetery Care Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash	\$ 7,348	\$ 212,184	\$ 100,589	\$ -	\$ 320,121
Investments, including time deposits	100,000	-	11,500	-	111,500
Due from other funds	80,981	5,259	-	-	86,240
Taxes receivable	81,983	-	-	-	81,983
Revenue receivable	1,950	14,399	-	-	16,349
Prepaid assets	3,639	-	-	-	3,639
Total assets	<u>\$ 275,901</u>	<u>\$ 231,842</u>	<u>\$ 112,089</u>	<u>\$ -</u>	<u>\$ 619,832</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 10,509	\$ 2,535	\$ -	\$ -	\$ 13,044
Wages and benefits payable	19,355	2,256	-	-	21,611
Due to other funds	90,865	3,219	-	-	94,084
Total liabilities	<u>120,729</u>	<u>8,010</u>	<u>-</u>	<u>-</u>	<u>128,739</u>
<b>FUND BALANCES</b>					
Restricted	-	-	-	-	-
Assigned	-	-	112,089	-	112,089
Unassigned	155,172	223,832	-	-	379,004
Total fund balances	<u>155,172</u>	<u>223,832</u>	<u>112,089</u>	<u>-</u>	<u>491,093</u>
Total liabilities and fund balances	<u>\$ 275,901</u>	<u>\$ 231,842</u>	<u>\$ 112,089</u>	<u>\$ -</u>	<u>\$ 619,832</u>

Total fund balance- total governmental funds \$ 491,093

Amounts reported for governmental activities in the Statement of Net Position are different because:

Land and capital assets, net of accumulated depreciation, are not financial resources and, therefore, are not reported in the funds.

Land and construction in process	\$ 939,246	
Depreciable capital assets	4,529,310	
Less: Accumulated depreciation	<u>(2,905,810)</u>	2,562,746
Pension related deferred outflows		129,748
Net pension liability		(33,884)
Pension related deferred inflows		<u>(274,671)</u>
Net position of governmental activities		<u>\$ 2,875,032</u>



**Town of Mooreland, Oklahoma**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**June 30, 2022**

	General Fund	Court Fund	Cemetery Fund	Cemetery Care Fund	Total Governmental Funds
<b><u>REVENUES</u></b>					
Sales tax	\$ 413,170	\$ -	\$ -	\$ -	\$ 413,170
Use tax	118,777	-	-	-	118,777
Beverage tax	23,344	-	-	-	23,344
Franchise taxes	10,236	-	-	-	10,236
Cigarette tax	3,148	-	-	-	3,148
Licenses and permits	4,179	-	-	-	4,179
Fines and forfeitures	1,420	224,591	-	-	226,011
Investment income	155	154	-	-	309
Charges for services	-	-	5,200	-	5,200
Rental income	7,568	-	-	-	7,568
Intergovernmental	120,529	-	-	-	120,529
Donations	134	500	-	-	634
Miscellaneous	65,944	-	2,257	-	68,201
Total revenues	768,604	225,245	7,457	-	1,001,306
<b><u>EXPENDITURES</u></b>					
General government:					
General government	360,160	-	-	-	360,160
Total general government	360,160	-	-	-	360,160
Public safety and judiciary:					
Police	305,203	-	-	-	305,203
Fire	59,533	-	-	-	59,533
Court	-	157,448	-	-	157,448
Total public safety and judiciary	364,736	157,448	-	-	522,184
Transportation:					
Street	66,846	-	-	-	66,846
Airport	5,349	-	-	-	5,349
Total transportation	72,195	-	-	-	72,195
Cultural, parks and recreation:					
Park	20,663	-	-	-	20,663
Library	4,442	-	-	-	4,442
Cemetery	-	-	9,680	-	9,680
Total cultural, parks and recreation	25,105	-	9,680	-	34,785
Capital outlay	276,432	-	-	-	276,432
Total expenditures	1,098,628	157,448	9,680	-	1,265,756
Excess (deficiency) of revenues over expenditures	(330,024)	67,797	(2,223)	-	(264,450)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfers in	435,793	-	102,360	-	538,153
Transfers out	(229,632)	(321,231)	-	(102,360)	(653,223)
Total other financing sources and uses	206,161	(321,231)	102,360	(102,360)	(115,070)
Net change in fund balances	(123,863)	(253,434)	100,137	(102,360)	(379,520)
Fund balances - beginning	299,082	459,986	11,952	102,360	873,380
Prior period adjustment	(20,047)	17,280	-	-	(2,767)
Fund balances - ending	\$ 155,172	\$ 223,832	\$ 112,089	\$ -	\$ 491,093

**Town of Mooreland, Oklahoma**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**June 30, 2022**

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Reconciliation of the change in fund balances - total governmental funds  
to the change in net position of governmental activities:

Net change in fund balances - total governmental funds \$ (379,520)

Governmental funds report capital outlays as expenditures. However, in the  
statement of activities, the cost of those assets is allocated over their estimated  
useful lives and reported as depreciation expense.

Capital asset purchases capitalized	276,432
Depreciation expense	(273,346)

Government-Wide Statement of Activities report the cost of pension benefits earned  
net of employee contributions and is reported as an element of pension expense.

The fund financial statements report pension contributions as expenditures.	<u>(6,082)</u>
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Change in Net Position of Governmental Activities	<u><u>\$ (382,516)</u></u>
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**Town of Mooreland, Oklahoma**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2022**

	<b>Business-type Activities</b>
	<b>Public Works Authority</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 82,880
Investments	219,045
Accounts receivable (net)	162,387
Due from other funds	76,673
Total current assets	<u>540,985</u>
Restricted assets:	
Cash and cash equivalents	243,166
Investments	44,736
Total restricted assets	<u>287,902</u>
Noncurrent assets:	
Capital assets (net)	2,304,860
Total noncurrent assets	<u>2,304,860</u>
<b>Total assets</b>	<u><u>\$ 3,133,747</u></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 10,244
Wages and benefits payable	20,123
Due to other funds	68,829
Notes payable, current	19,568
Bonds payable, current	61,163
Total current liabilities	<u>179,927</u>
Liabilities payable from restricted assets:	
Accrued interest payable	5,274
Customer deposits payable	94,767
Total liabilities payable from restricted assets	<u>100,041</u>
Noncurrent liabilities:	
Notes payable, non-current	1,248
Bonds payable, noncurrent	454,319
Total noncurrent liabilities	<u>455,567</u>
<b>Total liabilities</b>	<u>735,535</u>
<b>NET POSITION</b>	
Net investment in capital assets	1,768,562
Restricted	187,861
Unrestricted	441,789
<b>Total net position</b>	<u><u>\$ 2,398,212</u></u>

**Town of Mooreland, Oklahoma**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**Year Ended June 30, 2022**

	<u><b>Business-type Activities</b></u>
	<u><b>Public Works Authority</b></u>
<b><u>Operating revenues:</u></b>	
Charges for services:	
Electric charges	\$ 1,201,513
Water charges	245,129
Sewer charges	90,655
Sanitation charges	151,298
Total charges for services	1,688,595
Penalty	23,799
Service fee	145,802
Miscellaneous	57,413
Total operating revenues	<u>1,915,609</u>
<b><u>Operating expenses:</u></b>	
Cost of goods sold	775,355
Personal services	364,880
Materials and supplies	60,072
Other services and charges	247,532
Depreciation and amortization	232,822
Total operating expenses	<u>1,680,661</u>
Net operating income	\$ 234,948
<b><u>Nonoperating revenue (expense):</u></b>	
Investment income	485
Grant income	-
Bad debt	(20,375)
Interest expense	(14,866)
Total nonoperating revenue (expense)	<u>(34,756)</u>
<b>Net Income before contributions and transfers</b>	200,192
Transfers from other funds	205,562
Transfers to other funds, net	(90,492)
<b>Change in net position</b>	315,262
Net position - beginning of year	2,082,950
Net position-end of year	<u><u>\$ 2,398,212</u></u>

**Town of Mooreland, Oklahoma**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2022**

	<u><b>Business-type Activities</b></u>
	<u><b>Public Works Authority</b></u>
<b><u>Cash flows from operating activities:</u></b>	
Receipts from customers	\$ 1,646,104
Payments to suppliers	(1,163,384)
Payments to employees	(364,880)
Other operating revenues	227,014
<b>Net cash provided (used) by operating activities</b>	<u>344,854</u>
<b><u>Cash flows from non-capital financing activities:</u></b>	
Transfers from other funds	205,562
Transfers to other funds	(90,492)
Receipt/(payment) of interfund loan agreements	-
<b>Net cash provided (used) by non-capital financing activities</b>	<u>115,070</u>
<b><u>Cash flows from capital and related financing activities:</u></b>	
Purchase of capital assets	(298,556)
Principal paid on capital debt	(79,160)
Interest paid on capital debt	(15,470)
Capital grant proceeds	-
<b>Net cash provided (used) by capital and related financing activities</b>	<u>(393,186)</u>
<b><u>Cash flows from investing activities:</u></b>	
Investment income	391
<b>Net cash provided (used) by investing activities</b>	<u>391</u>
Net increase (decrease) in cash and cash equivalents	67,129
Cash and cash equivalents, beginning of the year	<u>278,917</u>
Cash & cash equivalents, end of the year	<u>\$ 346,046</u>
Cash, including time deposits	\$ 82,880
Restricted cash, including time deposits	243,166
Total cash and cash equivalents, end of year	<u>\$ 326,046</u>
<b><u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</u></b>	
Operating income (loss)	\$ 234,948
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation and amortization	232,822
Bad debt expense	(20,375)
Non-operating revenue (expense)	
<i>Changes in assets and liabilities:</i>	
(Increase) decrease in accounts receivable	(22,116)
Increase (decrease) in accounts payable	(82,916)
Increase (decrease) in accrued expenses	2,491
Total adjustments	<u>109,906</u>
<b>Net cash provided (used) by operating activities</b>	<u>\$ 344,854</u>

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Organization**

The Town of Mooreland, Oklahoma (the "Town") is incorporated under the provisions of the State of Oklahoma. The Town operates under the Statutory Town Board of Trustees form of government. The Town provides the following services: public safety (police and fire protection), street maintenance, utility (sanitation, water, sewer, and electric), culture, recreation, public improvements, municipal cemetery, and general administrative services.

The accounting and reporting framework and the more significant accounting principles and practices of the Town are discussed in subsequent sections of this notes. The remainder of the notes is organized to provide explanations, including required disclosure, of the Town's financial activities for the fiscal year ended June 30, 2022.

***The Reporting Entity***

The Town, for financial purposes, includes all of the funds and account groups relevant to the operation of the Town of Mooreland. The accompanying financial statements present the Town's primary government and component units over which the Town exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the Town. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the Town of Mooreland.

Due to restrictions of the state constitution relating to the issuance of municipal debt, public trusts are created to finance Town services with revenue bonds or other non-general obligation financing and provide for multi-year contracting. Financing services provided by these public trusts are solely for the benefit of the Town. Public trusts created to provide financing services are blended into the Town's primary government as an integral part of Town operations although retaining separate legal identity. Component units that do not meet the criteria from blending are reported discretely.

**Blended Component Units Reported with Primary Government**

Mooreland Public Works Authority (the "Authority") – was created on September 15, 1966 under and pursuant to Title 60 of the Oklahoma Statutes by a Declaration of the Trust. The trust indenture was amended in its entirety on December 16, 1991. On November 21, 2002, the trust indenture was amended to delete Article VIII, paragraph 36, in its entirety. This Article had previously restricted the Authority's borrowing authority. The Town has beneficial interest and the trustees of the Town serve as Trustees of the Authority. Town employees carry on the activities of the Authority. The Authority provides electric, water, sewer, and trash services to the citizens of Mooreland. Accounts of the Authority are recorded in business-type activities.

**B. Basis of Presentation**

***Government-Wide Financial Statements:***

The government-wide financial statements include the statement of net position and statement of activities. These statements report financial information for the Town as a whole. The statements distinguish governmental activities, generally supported by taxes and Town general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and Town general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services with usage fees, fines and forfeitures, and other charges to users of the Town's services; (2) operating grants and contributions which finance annual operating activities; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. Taxes and other revenues sources not properly included with program revenues are reported as general revenues.

Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or utility services.

Certain reclassifications have been made to prior period balances in order to conform to the current period's presentation.

***Fund Financial Statements***

Fund financial statements of the reporting entity are organized into funds each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary.

***Measurement Focus and Basis of Accounting***

The financial statements of the Town are prepared in accordance with US GAAP. The Town applies all relevant GASB pronouncements.

The government-wide statements report using the economic resources measurements focus and the accrual basis of accounting. Proprietary and fiduciary fund financial statements and financial statements of the Town's component units also report using the same focus and basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Town considered revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenses are recorded when the related fund liability is incurred.

Major revenue sources susceptible to accrual include: sales and use taxes, intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

Operating income reported in the proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of provided goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

***Restricted Assets***

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as needed. Restricted assets and liabilities current in nature are reported with current assets and current liabilities in the financial statements.

***Use of Estimates***

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reporting amounts and disclosures; accordingly, actual results could differ from those estimates.

***Interfund Balances***

Generally, outstanding balances between funds reported and due to/due from other funds include outstanding charges by one fund to another for services or goods or miscellaneous receivables/payables between funds. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year and are described as due to/due from other funds.

**C. Fund Types and Major Funds**

**Major Governmental Fund**

***General Fund***

The General Fund is the primary operating fund of the Town and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in another fund.

***Special Revenue Funds***

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditures for specified purposes. The reporting entity includes the following special revenue funds. None are considered major funds.

FUND	BRIEF DESCRIPTION
Court Fund	Accounts for the operations of the Town's municipal court system.
Cemetery	Accounts for the operations of the cemetery
Cemetery Care	Accounts for 12 1/2% of cemetery revenue restricted by State law for cemetery capital improvements.

**D. Budgets and Budgetary Accounting**

***Budget Policy and Practice***

The Town Clerk submits an annual budget to the Board of Trustees in accordance with the Oklahoma Municipal Budget Act. The budget is presented to the Board of Trustees for review, and public hearings are held to address priorities and the allocation of resources. In June, the Board of Trustees adopts the annual fiscal year budgets for Town operating funds. Budget amendments or supplements may be made during the year when unexpected modifications are required in estimated revenues and appropriations. Budget amendments are recommended by the Town Clerk and must be approved by the board of Trustees. Public trusts submit budgets and other planning documents to their respective governing bodies. Other funds budgeted on a project-length basis are also subjected to the Board of Trustees review and approval process.

***Budgetary Control***

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and object class as follows: personal services, other services and charges, materials and supplies, capital outlay, transfers, and debt service. This legal level of control is by department within a fund. Expenditures may not exceed appropriations at this level. Budget revisions at this level are subject to final review by the Town Council. Within these control levels, management may transfer appropriations without Board approval.

***Budget Basis of Accounting***

The combined statements of revenues, expenditures and changes in fund balances (budget and actual) present comparisons of legally adopted budgets with actual data on a budgetary basis. The budgetary basis of accounting differs from GAAP in that the cash basis of accounting is used. Revenues are budgeted in the year receipt is expected; and expenditures, which include encumbrances, are budgeted in the year that the applicable purchase orders are expected to be issued. All appropriations (including encumbered) lapse at year-end; any open encumbrances to be honored in the subsequent budget year are reappropriated in the new year's budget. As a result, no reserve for encumbrances is reported at year-end.

The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

**E. Assets, Liabilities and Equity**

***Cash and Investments***

For the purposes of the combined balance sheet and the statement of cash flows, "cash and cash equivalents" includes all demand deposits, savings accounts and certificates of deposits or short-term investments (including restricted assets) with an original maturity of three months or less. Deposits are stated at cost.

Investments are reported at fair value which is determined using market prices. Short-term investments are reported at cost, which approximates fair value.

***Allowance for Uncollectible Accounts***

Significant receivables include sales and use tax receivables and amounts due from customers primarily for utility services. These receivables are due within one year. The Town has established an allowance for collectible accounts based on management's prior experience using past due amounts more than 60 to 90 days. Management does not believe there are significant losses in excess of the allowance recorded of \$69,016.

***Property, Plant and Equipment***

The accounting treatment over property, plant and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

***Government-Wide Statements:***

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost, if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Proprietary fund and similar component unit fixed assets are recorded in the respective funds or component units and depreciated using the straight-line method. When proprietary fund fixed assets are disposed, the cost and applicable accumulated depreciation is removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:



• Buildings	25-50 years
• Other improvements	2-50 years
• Machinery, furniture & equipment	5-20 years
• Infrastructure	25-50 years

***Fund Financial Statements:***

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

**Long-Term Debt**

In the government-wide, proprietary, and component unit financial statements, outstanding debt is reported as a liability.

**Equity Classifications**

***Governmental Fund Balances***

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

**Nonspendable**

Fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned),

**Restricted**

Fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,

**Committed**

Fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town Council, the Town's highest level of decision-making authority,

**Assigned**

Fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and

**Unassigned**

Fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications

***Net Position***

Both proprietary fund financial statements and government-wide financial statements report net position. Amounts invested in capital assets, net of related debt and legally restricted amounts are separated from unrestricted net assets.

**Invested in capital assets, net of related debt**

The amount restricted consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted net position**

Amounts reported as restricted consist of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

**Deferred Outflows of Resources and Deferred Inflows of Resources**

**Deferred outflows of resources**

In addition to assets, the statement of net position will sometimes reports a separate section for deferred outflows of resources. This separate financials statement element represents a consumption of net position that applies to a future period(s) therefore will not be recognized as an outflow of resources (expense) until then. The Town only has one item that qualifies for reporting in this category. It is the deferred charge on net pension obligations for the retirement plans of the Town. A

deferred charge on pension obligations results from the net different between projected and actual earnings on pension plan investments.

**Deferred inflows of resources**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s); therefore will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred charge on net pension obligations for the retirement plans of the Town. A deferred charge on pension obligations results from the net different between projected and actual earnings on pension plan investments.

**F. Revenues, Expenditures and Expenses**

**Sales Tax**

The Town levied a 3% sales tax on taxable sales within the Town. The sales tax is collected by the Oklahoma Tax Commission and remitted to the Town in the month following receipt by the Tax Commission. The sales tax received is recorded as sales tax revenue within the general fund.

**Charges for Services**

Program revenues reported with governmental activities include charges for services like permits and fees, park charges, and fines and forfeitures. Business-type activity charges for services include all operating income of proprietary funds.

**Grants and Contributions**

Governmental grants and contributions primarily consist of grants from Federal and state agencies. The nature of the grant determines if it is reported as operating or capital program revenues.

Business-type activity grants and contributions include donations from others as well as grants from Federal and state agencies.

**Interfund Transfers**

Permanent reallocation of resources between funds of the reporting entity is classified as interfund transfers. Recurring transfers for operational purposes are classified as "operating transfers", while non-recurring transfers of equity are reported as "residual equity transfers".

**(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

By its nature as local government unit, the Town and its component unit are subject to various federal, state and local laws and contractual regulations. An analysis of the Town's compliance with significant laws and regulations and demonstration of its stewardship over town resources follows:

**A. Deficit Fund Net Assets/Fund Balance**

Deficits resulting from accrual reporting do not constitute violations of Oklahoma State Statutes.

The Town reported no deficit fund net positions or fund balances for the fiscal year.

**B. Budget Requirements**

For the year ended June 30, 2022, the Town did not materially overspend in any department.

**C. Revenue Restrictions**

The Town has various restrictions placed over certain revenue sources from state or local or administrative requirements. The primary restricted revenue sources include:

<u>REVENUE SOURCE</u>	<u>LEGAL RESTRICTIONS OF USE</u>
Gasoline Excise/Commercial Vehicle Tax	Street and Alley Purposes
Cemetery Revenue (12.5%)	Cemetery Capital Improvements

**TOWN OF MOORELAND, OKLAHOMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(3) DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS**

**A. Cash and Investments**

**Deposits**

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Town's deposits may not be returned or the Town will not be able to recover collateral securities in the possession of an outside party. The Town's deposits are secured by collateral values at market or par, whichever is lower, less the amount covered by the Federal Deposit Insurance Corporation (FDIC). Deposited funds may be invested in certificates of deposit in institutions with an established record of fiscal health and service.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes.

**Investments**

The Town invests primarily in certificates of deposit.

**PROPERTY, PLANT AND EQUIPMENT**

**Governmental Activities:**

A summary of the changes in the governmental activities fixed assets at June 30, 2022 follows:

	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022
Land	\$ 103,317	\$ 9,405	\$ -	\$ 112,722
Construction in process	826,524	-	-	826,524
Buildings & structures	454,072	93,992	-	548,064
Machinery, furniture, & equipment	1,239,033	173,026	-	1,412,059
Improvements other than land	2,569,187	-	-	2,569,187
<b>Total</b>	<b>5,192,133</b>	<b>276,423</b>	<b>-</b>	<b>5,468,556</b>
Less accumulated depreciation	2,632,464	273,346	-	2,905,810
<b>Fixed assets, net</b>	<b>\$ 2,559,669</b>	<b>\$ 3,077</b>	<b>\$ -</b>	<b>\$ 2,562,746</b>

**Business-Type Activities:**

A summary of the proprietary fund types fixed assets at June 30, 2022 follows:

	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022
Land	\$ 4,730	\$ -	\$ -	\$ 4,730
Construction in process	21,058	-	-	21,058
Building & structures	96,628	-	-	96,628
Machinery, furniture, & equipment	1,079,186	-	-	1,079,186
Improvements other than land	3,057,696	298,556	-	3,356,252
<b>Total</b>	<b>4,259,298</b>	<b>298,556</b>	<b>-</b>	<b>4,557,854</b>
Less accumulated depreciation	2,020,172	232,822	-	2,252,994
<b>Fixed assets, net</b>	<b>\$ 2,239,126</b>	<b>\$ 65,734</b>	<b>\$ -</b>	<b>\$ 2,304,860</b>

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against its operations. Accumulated depreciation is reported on proprietary fund balance sheets.

Depreciation expense was charged to functions in the statement of activities as follows:

Depreciation expense charges to governmental activities:

General government	\$ 29,368
Public safety & judiciary	97,244
Transportation	116,464
Cultural, parks & recreation	30,270
Total depreciation expense	<u>\$ 273,346</u>

Depreciation expense charges to business-type activities:

Water	\$ 103,386
Sewer	66,333
Customer service	20,827
Electric	42,276
Total depreciation expense	<u>\$ 232,822</u>

**C. LONG-TERM DEBT**

The following is a summary of long-term debt for the year ended June 30, 2022:

**Notes Payable**

Note payable to the Oklahoma Water Resources Board for water and sidewalk improvements. The original amount due was \$324,255. Note is paid semi-annually in the amount of \$10,186 beginning March 15, 2005 at an interest rate of 1.795% plus a 0.5% administrative fee. Maturity is March 15, 2024.

\$ 20,816

Bond payable to the Oklahoma Water Resources Board in the amount of \$1,150,000 at an interest rate of 2.99% and a 0.5% administrative fee, maturing September 15, 2029. Semi-annual payments are due in the amount of \$39,436 beginning on 3/15/10. Proceeds were used for the construction of an Ion Exchange Plant to remove the nitrates from the water supply.

515,482

\$ 536,298

**TOWN OF MOORELAND, OKLAHOMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**Changes in Long-Term Debt:**

The following is a summary of changes in long-term debt for the year ended June 30, 2022:

<b>Type of Debt</b>	<b>Balance at July 1, 2021</b>	<b>Amount Issued</b>	<b>Amount Retired</b>	<b>Balance at June 30, 2022</b>	<b>Due Within One Year</b>
<b>Business-type activities:</b>					
<i>Notes Payable</i>					
OWRB #2 note payable	\$ 40,922	\$ -	\$ 20,106	\$ 20,816	\$ 19,568
Total notes payable	40,922	-	20,106	20,816	19,568
<i>Notes Payable</i>					
2009 Series Bonds	574,536	-	59,054	515,482	61,163
Total bonds payable	574,536	-	59,054	515,482	61,163
Total business-type activities	\$ 615,458	\$ -	\$ 79,160	\$ 536,298	\$ 80,731
<b>Total primary government debt</b>	<b>\$ 615,458</b>	<b>\$ -</b>	<b>\$ 79,160</b>	<b>\$ 536,298</b>	<b>\$ 80,731</b>

**Annual Debt Service Requirements:**

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of June 30, 2022 follow:

<b>Year Ending June 30</b>	<b>Notes Payable</b>		<b>Bonds Payable</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2023	\$ 19,568	\$ 635	\$ 61,163	\$ 10,645
2024	1,248	184	63,305	8,810
2025	-	-	65,606	6,839
2026	-	-	67,948	4,832
2027	-	-	70,374	2,754
2028-2030	-	-	187,086	614
<b>Totals</b>	<b>\$ 20,816</b>	<b>\$ 819</b>	<b>\$ 515,482</b>	<b>\$ 34,494</b>

**(4) RETIREMENT PLANS**

The Town participates in two employee pension systems as follows:

<b>Name of Plan</b>	<b>Type of Plan</b>
Oklahoma Municipal Retirement Fund	Agent Multiple Employer – Defined Benefit Plan
Oklahoma Firefighters Pension and Retirement Fund	Cost Sharing Multiple Employer – Defined Benefit Plan

**Oklahoma Municipal Retirement Fund- Defined Benefit Plan**

**Plan Description**

Substantially all of the Town's full-time employees, except firefighters, participate in a defined benefit pension plan adopted by the Town and administered by the Oklahoma Municipal Retirement System (OMRF), which was established to administer pension plans for municipal employees. OMRF issues a publically available financial report that can be obtained at [www.okmrf.org](http://www.okmrf.org).

**TOWN OF MOORELAND, OKLAHOMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**Benefits Provided**

OMRF provides retirement, disability, and death benefits. Retirement benefits are determined as 3 percent of the employee's final average compensation multiplied by the employee's years of service; final average compensation is the average of the 5 highest consecutive years of salaries out of the last 10 years of service. Vesting requires 7 years of service. Members are eligible for normal retirement at age 65 with 7 years of vested service. The benefit is payable immediately. Early retirement is available after age 55 with 7 years of vested service. Early retirement benefits are paid at the normal retirement age, or reduced 5% per year for commencement prior to the normal retirement age.

Disability retirement is provided for member's total and permanent disability after 7 or more years of service. The accrued benefit is payable upon disablement without reduction for early payment.

In-service death benefits are payable after vesting at 50% of the accrued benefit until the death of the spouse or remarriage. If the member was not vested at the time of in-service death, member contributions are returned, if any, with interest.

**Contributions**

Required contribution rates are actuarially measured each year and authorized through Town Ordinance. Employees are required to contribute 4.0% of paid salary. For the year ended June 30, 2022, the Town's contribution was 10.11%. Contributions to the pension plan from the Town were \$52,847 for the year ended June 30, 2022.

**Membership**

Membership in the plan is as follows:

	<b>As of January 1, 2021</b>
Active participants	10
Inactive employees & beneficiaries receiving benefits	8
Inactive employees entitled to but not yet receiving benefits	0
<b>Total</b>	<b>18</b>

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPPRS**

At June 30, 2022, the Town reported an asset of \$(40,897) for its proportionate share of the net pension liability. The net pension asset was measured as of July 1, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined.

Changes to the actuarial valuation between the measurement date of the net pension liability and the Town's reporting dates are not expected to have a significant effect on the net pension liability.

For the year ended June 30, 2022, the Town recognized pension expense of \$1,811. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 25,916	\$ 17,901
Changes of assumptions	6,033	-
Net difference between projected and actual earnings on pension plan investments	32,233	225,154
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	-
Town contributions subsequent to the measurement date	49,885	-
<b>Total</b>	<b>\$ 114,067</b>	<b>\$ 243,055</b>

Other amounts reported deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>		
2023	\$	(40,347)
2024		(40,648)
2025		(40,369)
2026		(57,509)
2027		-

*Actuarial assumptions:* The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3 percent
Salary increases	5.07 percent, average
Investment rate of return	7.55 percent, net of pension plan investment expense and inflation

Mortality rates were based on the UP 1994 with projected mortality improvement. Valuation rates are projected for mortality improvement by the Society of Actuaries' table AA based upon the employee's year of birth.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period ended July 1, 2012 through June 30, 2017.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (3.0%). Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2021 are summarized in the following table:

	<b>Target Allocation</b>	<b>Real Return</b>	<b>Weighted Return</b>
Large cap stocks - S&P 500	25%	5.80%	1.35%
Small/mid cap stocks - Russell 2500	10%	6.40%	0.75%
Long/short equity - MSCI ACWI	10%	5.00%	0.61%
International stocks - MSCI EAFE	20%	6.20%	1.02%
Fixed income bonds - Barclay's Capital Aggregate	30%	2.30%	0.78%
Real estate - NCREIF	5%	4.60%	0.24%
Cash equivalents - 3 month Treasury	0%	0.00%	0.00%
	100%		
	Average Real Return		4.75%
	Inflation		2.75%
	Long term expected return		<u>7.50%</u>

*Discount rate:* The discount rate used to measure the total pension liability was 7.75 percent, as the plan's net fiduciary position is projected to be sufficient to make projected benefit payments. The Town has adopted a funding method that is designed to fund all benefits payable to participants over the course of the member's working career. Any differences between actual and expected experience are funded over a fixed period to ensure all funds necessary to pay benefits have been contributed to the trust before those benefits are payable. Therefore, no separate cash flow projection is required to determine the sufficiency of the plan assets. The 20 year tax free bond yield of 3.29% was used in the analysis.

**TOWN OF MOORELAND, OKLAHOMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
<b>Balances at July 1, 2020</b>	<b>\$ 1,666,030</b>	<b>\$ 1,419,816</b>	<b>\$ 246,214</b>
<b>Changes for the year:</b>			
Service cost	52,648	-	52,648
Interest	119,986	-	119,986
Differences between expected and actual experience	(7,562)	-	(7,562)
Assumption changes	-	-	-
Contributions - employer	-	49,885	(49,885)
Contributions - employee	-	19,737	(19,737)
Net investment income	-	385,421	(385,421)
Benefit payments, including refunds of employee contributions	(134,865)	(134,865)	-
Administrative expense	-	(2,860)	2,860
Other changes	-	-	-
<b>Net changes</b>	<b>30,207</b>	<b>317,318</b>	<b>(287,111)</b>
<b>Balances at July 1, 2021</b>	<b>\$ 1,696,237</b>	<b>\$ 1,737,134</b>	<b>\$ (40,897)</b>

*Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate:* The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Town's proportionate share of the net pension liability/(asset)	163,123	(40,897)	204,665

*Pension plan fiduciary net position:* Detailed information about the pension plan's fiduciary net position is available in the separately issued OMR financial report.

**Oklahoma Firefighters Pension and Retirement System**

Plan Description

The Town of Mooreland, as the employer, participates in the Firefighters Pension & Retirement- a statewide, cost-sharing, multiple-employer defined benefit plan administered by the Oklahoma Firefighters Pension and Retirement System (FPRS). FPRS issues a publically available financial report that can be obtained at [www.ok.gov/FPRS](http://www.ok.gov/FPRS).

Benefits Provided

FPRS provides retirement, disability and death benefits to members of the plan.

Benefits for members hired prior to November 1, 2013 are determined as 2.5 percent of the employee's final average compensation times the employee's years of service and have reached the age of 50 or have completed 20 years of service, whichever is later. For volunteer firefighters, the monthly pension benefit for normal retirement is \$150.60 per month. Benefits vest with 10 years or more service.

Benefits for members hired after November 1, 2013 are determined as 2.5 percent of the employee's final average compensation times the employee's years of service and have reached the age of 50 or have completed 22 years of service, whichever is later. For volunteer firefighters, the monthly pension benefit for normal retirement is \$165.66 per month. Benefits vest with 11 years or more service.

All firefighters are eligible for immediate disability benefits. For paid firefighters, the disability in-the-line-of-duty benefit for firefighters with less than 20 years of service is equal to 50% of final average monthly compensation, based on the most



**TOWN OF MOORELAND, OKLAHOMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

recent 30 months of service. For firefighters with over 20 years of service, a disability in-the-line-of-duty is calculated based on 2.5% of final average monthly compensation, based on the most recent 30 months, per years of service, with a maximum of 30 years of service. For disabilities not-in-the-line-of-duty, the benefit is limited to only those with less than 20 years of service and is 50% of final average monthly compensation, based on the most recent 60-month salary as opposed to 30 months. For volunteer firefighters, the not-in-the-line-of-duty disability is also limited to only those with less than 20 years of service and is \$7.53 per year of service. For volunteer firefighters, the in-the-line-of-duty pension is \$150.60 with less than 20 years of service, or \$7.53 per year of service, with a maximum of 30 years.

A \$5,000 lump sum death benefit is payable to the qualified spouse or designated recipient upon the participant's death. The \$5,000 death benefit does not apply to members electing the vested benefit.

Contributions

The State of Oklahoma has the authority to establish contribution obligations per state statute 11 O.S. Section 49.100 thru 49.143 et seq and are not based on actuarial calculations. Volunteer members have no contribution requirements; the Town contributes \$60 per year for each volunteer. Employees are required to contribute 9% of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the Town were \$60.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPPRS

At June 30, 2022, the Town reported a liability of \$33,884 for its proportionate share of the net pension liability. The net pension net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on the Town's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2021. The Town's proportion was 0.005145%.

For the year ended June 30, 2022, the Town recognized pension expense of \$2,938. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 12,289	\$ 595
Changes of assumptions	-	752
Net difference between projected and actual earnings on pension plan investments	3,332	30,269
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	-
Town contributions subsequent to the measurement date	60	-
<b>Total</b>	<b>\$ 15,681</b>	<b>\$ 31,616</b>

Other amounts reported deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2022	\$ (2,442)
2023	(3,173)
2024	(3,938)
2025	(6,381)
2026	-

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	3%
Salary increases:	3.5% to 9.0% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense

Mortality rates were based on the RP2000 combined healthy with blue collar adjustment as appropriate, with adjustments for generational mortality improvement using scale AA for healthy lives and no mortality improvement for disabled lives.

The actuarial assumptions used in the July 1, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2012.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	20%	4.90%
Domestic equity	37%	7.07%
International equity	20%	9.19%
Real Estate	10%	7.99%
Other assets	13%	5.57%

Mortality rates were based on the RP2000 combined healthy with blue collar adjustment as appropriate, with adjustments for generational mortality improvement using scale AA for healthy lives and no mortality improvement for disabled lives.

The actuarial assumptions used in the July 1, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2017.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021, are summarized in the following table:

Discount Rate – The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 36% of the insurance premium, as established by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate: The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	<b>1% Decrease (6.5%)</b>	<b>Current Discount Rate (7.5%)</b>	<b>1% Increase (8.5%)</b>
Town's proportionate share of the net pension liability/(asset)	52,950	33,884	17,921

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the FPRS; which can be located at [www.ok.gov/fprs](http://www.ok.gov/fprs).

## **(5) COMMITMENTS AND CONTINGENCIES**

### **A. Litigation**

The Town is a party to various legal proceedings, which normally occur in the course of governmental operations. The financial statements do not include accrual or provisions for loss contingencies that may result from these proceedings. State statutes provide for the levy of an ad valorem tax over a three-year period by a Town "Sinking Fund" for the payment of any court assessed judgment rendered against the Town.

**B. Grant Program Involvement**

In the normal course of operations, the Town participates in various federal or state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. Any liability for reimbursement, which may arise as a result of these audits, cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

**(6) PRIOR PERIOD ADJUSTMENT**

A prior period adjustment was made to reflect the write off of stale items in cash and accounts payable.

**Town of Mooreland, Oklahoma**  
**General Fund**  
**Statement of Revenues, Expenditures, Encumbrances, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Year Ended June 30, 2022**

	<b>Original Budget</b>	<b>Revisions</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance - Favorable (Unfavorable)</b>
<b>REVENUES</b>					
Sales tax	\$ 315,976	\$ -	\$ 315,976	\$ 413,170	\$ 97,194
Use tax	97,973	-	97,973	118,777	20,804
Tobacco tax	2,905	-	2,905	3,148	243
Beverage tax	21,664	-	21,664	23,344	1,680
Gasoline excise tax	1,759	-	1,759	2,188	429
Motor vehicle tax	6,870	-	6,870	8,541	1,671
Franchise taxes	10,001	-	10,001	10,236	235
Licenses & permits	2,200	-	2,200	4,179	1,979
Grants	-	-	-	109,800	109,800
Charges for services:					
Police fines	350,000	-	350,000	1,420	(348,580)
Swimming pool fees	-	-	-	-	-
Rental fees	7,500	-	7,500	7,568	68
Donations	800	-	800	134	(666)
Other revenue	25,000	-	25,000	65,944	40,944
Interest	550	-	550	155	(395)
Total revenues	<u>843,198</u>	<u>-</u>	<u>843,198</u>	<u>768,604</u>	<u>(74,594)</u>
<b>EXPENDITURES</b>					
General government:					
General government	162,005	200,000	362,005	360,160	1,845
Total general government	<u>162,005</u>	<u>200,000</u>	<u>362,005</u>	<u>360,160</u>	<u>1,845</u>
Public safety and judiciary:					
Police	325,612	(20,000)	305,612	305,203	409
Fire	80,000	(20,000)	60,000	59,533	467
Emergency Management	3,000	-	3,000	-	3,000
Municipal Court	144,965	(140,000)	4,965	-	4,965
Total public safety and judiciary	<u>553,577</u>	<u>(180,000)</u>	<u>373,577</u>	<u>364,736</u>	<u>8,841</u>
Transportation:					
Street	69,000	-	69,000	66,846	2,154
Airport	13,000	-	13,000	5,349	7,651
Total transportation	<u>82,000</u>	<u>-</u>	<u>82,000</u>	<u>72,195</u>	<u>9,805</u>
Cultural, parks and recreation:					
Park	35,700	(15,000)	20,700	20,663	37
Library	5,000	-	5,000	4,442	558
Community center	5,000	(5,000)	-	-	-
Total cultural, parks and recreation	<u>45,700</u>	<u>(20,000)</u>	<u>25,700</u>	<u>25,105</u>	<u>595</u>
Total expenditures	<u>843,282</u>	<u>-</u>	<u>843,282</u>	<u>822,196</u>	<u>11,281</u>
Revenue over (under) expenditures	(84)	-	(84)	(53,592)	(63,313)
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in/(out)	125,000	-	125,000	206,161	81,161
Net other financing sources (uses)	<u>125,000</u>	<u>-</u>	<u>125,000</u>	<u>206,161</u>	<u>81,161</u>
Revenues and other financing sources over (under) expenditures and other uses	124,916	-	124,916	152,569	17,848
Fund balance at beginning of year (Non-GAAP budgetary basis)				<u>352,047</u>	<u>352,047</u>
Fund balance at end of year (Non-GAAP budgetary basis)				\$ 504,616	<u>\$ 369,895</u>
<b>ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>					
Revenue and transfer accruals				(349,444)	
Fund balance at end of year (GAAP basis)				<u>\$ 155,172</u>	

**Schedules of Required Supplementary Information**

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Oklahoma Fire Pension Retirement Plan**

	<u>2015*</u>	<u>2016*</u>	<u>2017*</u>	<u>2018*</u>	<u>2019*</u>	<u>2020*</u>	<u>2021*</u>	<u>2022*</u>
Town's portion of the net pension liability (asset)	0.0034%	0.0035%	0.0029%	0.0030%	0.0027%	0.0029%	0.0013%	0.0051%
Town's proportionate share of the net pension liability (asset)	\$ 34,668	\$ 36,628	\$ 35,565	\$ 37,928	\$ 30,818	\$ 30,753	\$ 1,645	\$ 33,884
Town's covered-employee payroll	\$ 9,309	\$ 10,332	\$ 11,585	\$ -	\$ -	\$ -	\$ -	\$ -
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	372%	355%	307%	0%	0%	0%	0%	0%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

\* The amount presented for each fiscal year were determined as of the fiscal year-end that occurred previous

**SCHEDULE OF TOWN CONTRIBUTIONS**

**Oklahoma Fire Pension Retirement Plan**

	<u>2015*</u>	<u>2016*</u>	<u>2017*</u>	<u>2018*</u>	<u>2019*</u>	<u>2020*</u>	<u>2021*</u>	<u>2022*</u>
Contractually required contribution	\$ 1,320	\$ 1,320	\$ 1,140	\$ 1,140	\$ 1,260	\$ 1,260	\$ 60	\$ 60
Contributions in relation to the contractually required contribution	<u>(1,320)</u>	<u>(1,320)</u>	<u>(1,140)</u>	<u>(1,140)</u>	<u>(1,260)</u>	<u>(1,260)</u>	<u>(60)</u>	<u>(60)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 9,309	\$ 10,332	\$ 11,585	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	14.18%	12.78%	9.84%	0.00%	0.00%	0.00%	0.00%	0.00%

\* Only the current four fiscal years are presented as ten year data is not yet available.

**Schedules of Required Supplementary Information**

**SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY AND RELATED RATIOS**

Oklahoma Municipal Retirement Fund SINCE INITIAL APPLICATION								
	<u>2015*</u>	<u>2016*</u>	<u>2017*</u>	<u>2018*</u>	<u>2019*</u>	<u>2020*</u>	<u>2021*</u>	<u>2022*</u>
<b>Total pension liability</b>								
Service cost	\$ 31,053	\$ 46,072	\$ 38,102	\$ 57,035	\$ 40,802	\$ 34,965	\$ 54,712	\$ 52,648
Interest	101,743	103,666	108,990	113,431	112,036	114,010	113,992	119,986
Changes in benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	28,299	44,878	(27,298)	9,725	(31,472)	42,408	(7,562)
Changes in assumptions	-	-	-	24,945	-	15,923	-	-
Benefit payments, including refunds of employee contributions	(85,726)	(92,218)	(127,117)	(142,503)	(133,100)	(139,479)	(127,646)	(134,865)
Benefit changes due to plan amendments	11,983	-	-	-	-	-	-	-
<b>Net change in total pension liability</b>	\$ 59,053	\$ 85,819	\$ 64,853	\$ 25,610	\$ 29,463	\$ (6,053)	\$ 83,466	\$ 30,207
<b>Total pension liability - beginning</b>	<u>1,323,819</u>	<u>1,382,872</u>	<u>1,468,691</u>	<u>1,533,544</u>	<u>1,559,154</u>	<u>1,588,617</u>	<u>1,582,564</u>	<u>1,666,030</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 1,382,872</u>	<u>\$ 1,468,691</u>	<u>\$ 1,533,544</u>	<u>\$ 1,559,154</u>	<u>\$ 1,588,617</u>	<u>\$ 1,582,564</u>	<u>\$ 1,666,030</u>	<u>\$ 1,696,237</u>
<b>Plan fiduciary net position</b>								
Contributions - employer	44,666	57,479	56,779	48,566	73,894	54,558	58,789	49,885
Contributions - employee	15,141	19,484	21,325	17,921	16,889	18,542	21,034	19,737
Net investment income	183,960	35,860	10,362	150,810	97,808	92,348	56,968	385,421
Benefit payments, including refunds of employee contributions	(85,726)	(92,218)	(127,117)	(142,503)	(133,100)	(139,479)	(127,646)	(134,865)
Administrative expense	(2,721)	(2,666)	(2,536)	(2,661)	(2,740)	(2,810)	(2,890)	(2,860)
Other	-	-	-	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<u>155,320</u>	<u>17,939</u>	<u>(41,187)</u>	<u>72,133</u>	<u>52,751</u>	<u>23,159</u>	<u>6,255</u>	<u>317,318</u>
<b>Plan fiduciary net position - beginning</b>	<u>1,133,446</u>	<u>1,288,766</u>	<u>1,306,705</u>	<u>1,265,518</u>	<u>1,337,651</u>	<u>1,390,402</u>	<u>1,413,561</u>	<u>1,419,816</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 1,288,766</u>	<u>\$ 1,306,705</u>	<u>\$ 1,265,518</u>	<u>\$ 1,337,651</u>	<u>\$ 1,390,402</u>	<u>\$ 1,413,561</u>	<u>\$ 1,419,816</u>	<u>\$ 1,737,134</u>
<b>Town's net pension liability - ending (a) - (b)</b>	<u>\$ 94,106</u>	<u>\$ 161,986</u>	<u>\$ 268,026</u>	<u>\$ 221,503</u>	<u>\$ 198,215</u>	<u>\$ 169,003</u>	<u>\$ 246,214</u>	<u>\$ (40,897)</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	93.19%	88.97%	82.52%	85.79%	87.52%	89.32%	85.22%	102.41%
<b>Covered-employee payroll</b>	\$ 469,226	\$ 367,919	\$ 527,327	\$ 386,897	\$ 358,208	\$ 502,441	\$ 489,525	\$ 487,670
<b>Town's net pension liability as a percentage of covered-employee payroll</b>	20.06%	44.03%	50.83%	57.25%	55.34%	33.64%	50.30%	-8.39%

**Schedules of Required Supplementary Information**

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Oklahoma Municipal Retirement Plan**

	<u>2015*</u>	<u>2016*</u>	<u>2017*</u>	<u>2018*</u>	<u>2019*</u>	<u>2020*</u>	<u>2021*</u>	<u>2022*</u>
City's portion of the net pension liability (asset)	0.3277%	0.4363%	0.4613%	0.5311%	0.4753%	0.4052%	0.5904%	-0.0063%
City's proportionate share of the net pension liability (asset)	\$ 94,106	\$ 161,986	\$ 268,026	\$ 221,503	\$ 198,215	\$ 169,003	\$ 246,214	\$ (40,897)
City's covered-employee payroll	\$ 469,226	\$ 367,919	\$ 527,327	\$ 386,897	\$ 358,208	\$ 502,441	\$ 489,525	\$ 487,670
City's proportionate share of the net pension liability (asset) as a percentage of its cover	20.06%	44.03%	50.83%	57.25%	55.34%	33.64%	50.30%	-8.39%
Plan fiduciary net position as a percentage of the total pension liability	93.19%	88.97%	82.52%	85.79%	87.52%	89.32%	85.22%	102.41%

\* The amount presented for each fiscal year were determined as of the fiscal year-end that occurred previous

**Schedules of Required Supplementary Information**

**SCHEDULE OF TOWN CONTRIBUTIONS**

**Oklahoma Municipal Retirement Plan**

	<u>2015*</u>	<u>2016*</u>	<u>2017*</u>	<u>2018*</u>	<u>2019*</u>	<u>2020*</u>	<u>2021*</u>	<u>2022*</u>
Actuarially determined contribution	\$ 76,805	\$ 76,963	\$ 78,104	\$ 65,851	\$ 56,918	\$ 61,428	\$ 52,847	\$ 52,847
Contributions in relation to the actuarially determined contribution	<u>(76,805)</u>	<u>(76,963)</u>	<u>(78,104)</u>	<u>(65,851)</u>	<u>(56,918)</u>	<u>(61,428)</u>	<u>(52,847)</u>	<u>(52,847)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 469,226	\$ 367,919	\$ 527,327	\$ 386,897	\$ 358,208	\$ 502,441	\$ 489,525	\$ 487,670
Contributions as a percentage of covered-employee payroll	16.37%	20.92%	14.81%	17.02%	15.89%	12.23%	10.80%	10.84%

\* Only the current four fiscal years are presented as ten year data is not yet available.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Town Council  
Town of Mooreland, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Mooreland, Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Town of Mooreland, Oklahoma's basic financial statements, and have issued our report thereon dated July 3, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Town of Mooreland, Oklahoma's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Mooreland, Oklahoma's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Mooreland, Oklahoma's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.


Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Town of Mooreland, Oklahoma financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items: 2022-001.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Jana A. Walker, CPA, PLLC

Woodward, Oklahoma

July 3, 2023

**Town of Mooreland, Oklahoma  
Schedule of Findings and Responses  
Year Ended June 30, 2022**

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**FINDING 2022-001 Lack of Timely Filed Audit**

Condition: Audit report issued after allotted 150 days from year end.

Criteria: In accordance with the Oklahoma Water Resource Board loan agreement, Article II, 2.7(D)(4) the City shall furnish copies of the reports of the financial audit within 150 days after the end of each fiscal year.

Cause: Late filing of prior year audits.

Effect or Potential Effect: Debt covenant violation.

Recommendation: Ensure records are available for inspection subsequent to year end.

Response: Management will make arrangements to have their records inspected quicker after year end to ensure the timely completion of an audit.

**Town of Mooreland, Oklahoma**  
**Schedule of Prior Year Findings and Responses**  
**Year Ended June 30, 2022**

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**FINDING 2021-001 Lack of Timely Filed Audit**

Condition: Audit report issued after allotted 150 days from year end.

Criteria: In accordance with the Oklahoma Water Resource Board loan agreement, Article II, 2.7(D)(4) the City shall furnish copies of the reports of the financial audit within 150 days after the end of each fiscal year.

Cause: Late filing of prior year audits.

Effect or Potential Effect: Debt covenant violation.

Recommendation: Ensure records are available for inspection subsequent to year end.

Current Status: Reported as finding 2022-002.